



U.S. Department
of Transportation
**Federal Highway
Administration**

Western Federal Lands Highway Division

610 East Fifth Street
Vancouver, WA 98661-3801
(360) 619-7700 FAX: 360-619-7846

June 19, 2007

Mr. George J. Cannelos, Federal Co-Chair
Denali Commission
510 'L' Street
Anchorage, AK 99501

In Reply Refer To: HFL-17

Dear Mr. Cannelos:

Reimbursable Agreement No. DTFH70-07-X-50005
Denali Commission Agreement No. Kivalina Evacuation, Road – (1) Award No. 285-07
Kivalina Evacuation Road – Preliminary Engineering

Enclosed is one fully executed copy of the above subject Agreement that was signed by Western Federal Lands Highway Division (WFLHD) June 19, 2007.

Per your letter dated June 13, 2007, this Agreement was revised to reflect your requested changes.

In accordance with the Debt Collection Improvement Act of 1996, all payments between Federal Agencies must be billed via Intra-Governmental Payment and Collections (IPAC). The Agency Location Code (ALC) for Federal Highway Administration, Western Federal Lands Highway Division is 69-05-0001. If you have any questions regarding billing information, please call Carol Smedley, Financial Specialist at (360) 619-7734.

If you have any questions regarding this Agreement, please contact Mike Traffalis, P.E. & Project Manager at (360) 619-7787 or Marlene Marcellay at (360) 619-7565.

Sincerely yours,

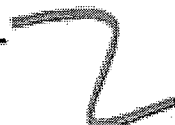
Marlene M. Marcellay
Contracting Officer

Enclosures (3): No. DTFH70-07-X-50005

cc: Mike McKinnon, Transportation Program Manager, Denali Commission
Mike Traffalis, WFLHD
Carol Smedley, WFLHD
Acquisition file: DTFH70-07-X-50005

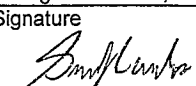
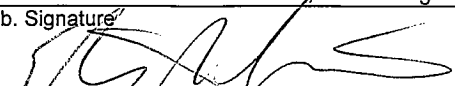
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MOVING THE
AMERICAN
ECONOMY



DENALI COMMISSION AGREEMENT Project: <u>Kivalina Evacuation Road</u> <u>Preliminary Engineering</u>		Denali Commission Agreement No: Kivalina Evacuation Road- (1) 285 - 07 Other Agency's Agreement No: _____	
(check one) <input checked="" type="checkbox"/> Denali Commission is the Requesting Agency <input type="checkbox"/> Denali Commission is the Servicing Agency		EFFECTIVE DATE: <u>See Block 8c. Signature Date</u> EXPIRATION DATE: <u>December 31, 2008</u>	

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1. AGREEMENT. This Reimbursable Agreement (including the attached standard conditions) constitutes the entire agreement between the requesting agency and the servicing agency.			
2a. AUTHORITY OF REQUESTING AGENCY: (check all that apply) <ul style="list-style-type: none"> <input type="checkbox"/> 23. U.S.C. 204, Highways, Federal Lands Highway Program. (Applies when WFLHD is the requesting agency and state agencies, civil subdivisions of a state, or Tribes will be performing services relating to planning, research, engineering, construction of roads/bridges, or transit facilities within public lands/NPS/Indian reservations.) <input checked="" type="checkbox"/> 31 U.S.C. 1535, The Economy Act (Applies when 23 U.S.C. 308 does not apply. Authorizes one federal agency to secure items/services from another federal agency.) <input type="checkbox"/> Other. _____ 			
2b. AUTHORITY FOR SERVICING AGENCY: <ul style="list-style-type: none"> <input type="checkbox"/> 23. U.S.C. 308, Highways, Cooperation with Federal and State Agencies & Foreign Countries. (Applies when WFLHD is the Servicing Agency who will be performing engineering or other services to another Federal agency or to State/local government agencies.) <input type="checkbox"/> Other. _____ 			
3a. REQUESTING AGENCY ADDRESS Mr. Mike McKinnon, Denali Commission, Transportation Program Manager DENALI COMMISSION 510 "L" Street, Suite 410 Anchorage, Alaska 99501		3b. SERVICING AGENCY ADDRESS Western Federal Lands High Highway Division 610 East Fifth Street Vancouver WA 98661-3801	
4a. Denali Commission Accounting & Appropriation Data: 95-69X8083.67		4b. SERVICING AGENCY Accounting & Appropriation Data: WFLHD will need to set up account codes	
5. FUND AMOUNT Amount Obligated by this Action: \$500,000.00		6. PAYMENT AND BILLING The other party to this agreement is a: (Check one) <input checked="" type="checkbox"/> Federal Agency. Bill via Interagency Payment and Collection (IPAC) to Requesting Agency's Location Code (see block 7a or 7b, as applicable.) <input type="checkbox"/> Other than a Federal Agency. Agencies must submit an acceptable invoice in a format and frequency designated in Section IV. See "Financial Administration" portion of this document for further details.	
7a. Denali Commission FINANCE BILLING INFORMATION 1. 8-digit Agency Location Code (ALC): 95-67-0000 2. DUNS #: 029585416 3. Tax ID #: 92-0173238 4. Finance Office Contact: Jennifer Price 5. Finance Phone: (907)271-3500 6. Finance FAX: (907)271-1415 7. Finance email : jprice@denali.gov		7b. SERVICING AGENCY FINANCE BILLING INFORMATION 1. 8-digit Agency Location Code (ALC): 69-05-0001 2. DUNS #: 928-338-219 3. Tax ID #: 53-0204534 4. Finance Office Contact: Jan Palmer 5. Finance Phone: (360) 619-7624 6. Finance FAX: (360) 619-7945 7. Finance email : jan.palmer@fhwa.dot.gov	
8a. Denali Commission APPROVAL (Name & Title - (type or print) George Cannelos, Federal Co-Chair		9a. OTHER AGENCY APPROVAL (Name & Title - type or print) WFLHD Elizabeth M. Firestone, Contracting Officer	
b. Signature 	c. Date 6-13-07	b. Signature 	c. Date 6/19/07

DENALI COMMISSION AGREEMENT	
Project: <u>Kivalina Evacuation Road - Preliminary Engineering</u>	Denali Commission Agreement No: <u>Kivalina Evacuation Road- (1) 285-07</u>
	Other Agency's Agreement No: <u>DTFH70-07-X-50005</u>
(check one) <input checked="" type="checkbox"/> Denali Commission is the Requesting Agency <input type="checkbox"/> Denali Commission is the Servicing Agency	EFFECTIVE DATE: <u>See Block 8c, Signature Date</u> EXPIRATION DATE: <u>December 30, 2008</u>

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Project Agreement

Kivalina Evacuation Road Preliminary Engineering

Denali Commission FY06 Funding Assistance

State: Alaska

Project Title: Kivalina Evacuation Road Preliminary Engineering

Project Location: Kivalina is located on the tip of an 8-mile long island between the Chukchi Sea and Kivalina River. The village is 80 air miles northwest of Kotzebue and about 18 miles up the coast from the Red Dog Mine port site.

Parties to the Agreement: Denali Commission

And

U.S. Department of Transportation
Federal Highway Administration
Western Federal Lands Highway Division (WFLHD)

Purpose of this Agreement: This Agreement documents the intent of the parties for the Kivalina Evacuation Road reconnaissance engineering project funding.

Authority: This Agreement is entered into between the undersigned parties pursuant to allocation of funds to Denali as defined in SAFETEA-LU. Denali Commission Resolution Number 06-17 passed May 23, 2006 established the intent of the Denali Commission to allocate funds to WFLHD for the preliminary design phase for the Kivalina Evacuation Road. The approved fund total is \$500,000.

Funds allocated for this project are for the preliminary engineering of a public road, operated by a public organization with the authority to take a public road jurisdictional role. The project will comply with federal requirements including the compliance with the National Environmental Policy Act (NEPA). A range of reasonable alternatives will be developed and evaluated as required by NEPA regulation. Amendments to the scope of this project agreement may be required dependent upon the decision of future NEPA document actions. Modifications to this agreement will be approved by an amended agreement signed by all parties.

Project Background: Kivalina, population 377, is a traditional Iñupiat Eskimo village. Like the other Arctic Ocean communities, subsistence hunting, fishing and gathering, including whaling, provides most of the community's foods. The communities in the region are tied to the coast for many of their most important resources and there is a long history of occupation.

DENALI COMMISSION AGREEMENT Project: <u>Kivalina Evacuation Road - Preliminary Engineering</u>		Denali Commission Agreement No: <u>Kivalina Evacuation Road- (1) 285-07</u>
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(check one) <input checked="" type="checkbox"/> Denali Commission is the Requesting Agency <input type="checkbox"/> Denali Commission is the Servicing Agency		EFFECTIVE DATE: <u>See Block 8c, Signature Date</u> EXPIRATION DATE: <u>December 30, 2008</u>

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In recent years, a combination of reduced ice protection on shore and a longer fetch for storm waves out of the northwest have combined to accelerate coastal erosion throughout the region. In Kivalina, the fall storms have become a major threat to infrastructure and safety. Kivalina, Shishmaref and other communities in the region are examining the steps needed to relocate to higher ground in the vicinity of existing community sites.

While relocating is in the planning stage, preliminary design for an evacuation road to high ground needs to get underway immediately. To the extent practical, a road would take into consideration, the selected new village site, needed material sites and other elements of successful village relocation.

Planning and Coordination: Kivalina Evacuation Road preliminary engineering project is part of an ongoing village relocation effort by federal, state and local governments, led by the Northwest Arctic Borough. The 10-20 year horizon for relocation prompted a local request for the Borough move forward on an evacuation/relocation road.

In August-September 2005, ASCG, Incorporated prepared an Evacuation/Relocation Road Feasibility Study, reporting back to the community in October 2005. The report is a starting point for the subject project, although the design standard and other characteristics of the road and alignment, including its terminus need review and consideration.

Project Scope: The subject project is preliminary engineering to investigate the feasibility and location of an evacuation road that could be used by the community to access high ground during storm events. The work will include a material site investigation and close work with a Kivalina Advisory Committee to ensure local knowledge of the area is fully integrated into the project. To the extent funding and project progress allow, the project will be carried through NEPA. Ideally, this product will fully scope the road alignment and will allow reasonable cost estimates for final design and construction documents.

Project Purpose and Benefits: This is both a significant safety project and to the extent practical a project that facilitates village relocation. Providing access to a safe elevation during storm events will protect lives and personal property. It will improve the quality of life for Kivalina residents and visitors by providing a safe and efficient transportation link between the village and high ground on the mainland.

A secondary purpose is to provide access for village relocation activities, but only to the extent that the road is coincident to the village relocation.

Proposed Work FY 2007 and FY 2008

Starting as early as July, 2006 meet with the coordinating agencies, the Borough and the community in a series of project scoping meetings. Simultaneously, acquire existing engineering and environmental data available from earlier and ongoing work. The Red Dog Mine development is the basis for substantial baseline data for the region and could be useful for the project. From this baseline information, develop a plan for initiate the environmental process for the Purpose and Need developed through Project Scoping. Once the environmental process has begun, work with the Borough and Kivalina governments develop a local advisory committee or other group who will advise on the project and will serve as the information conduit for reporting back to the various governments associated with the project.

DENALI COMMISSION AGREEMENT	
Project: <u>Kivalina Evacuation Road - Preliminary Engineering</u>	Denali Commission Agreement No: <u>Kivalina Evacuation Road- (1) 285-07</u>
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Work with agencies to scope an environmental document and begin work to complete the NEPA process. Work with in-house and/or contract engineering resources to evaluate appropriate design standards for emergency evacuation including one-lane roads with turnouts, and evaluate alternatives to crossing the shallow Kivalina River lagoon between the community and the mainland. Evaluate the arctic engineering aspects of the project including permafrost and coastal engineering aspects. Prepare a Right-of-Way report that outlines existing Rights-of-Way and sets the stage for Right-of-Way certification processes during final design.

In a series of meetings, report to the project advisory committee and through them; make presentations to the community and to the local governments. Performing successful preliminary engineering for a route during Fiscal Years 2007 and 2008, there may be the opportunity to begin final design in Fiscal Year 2009 for a Fiscal Year 2010 construction start up based on funding availability and successful completion of the NEPA and Right-of-Way processes.

Denali Commission funds will be used to execute these tasks, up to but not exceeding \$500,000.

Project Scoping Budget	\$40,000
Project Plan Development	\$10,000
Start Environmental Process	Balance of funds

Quarterly reports will be filed with the Denali Commission to inform all parties on how scope, schedule and budget are progressing. The product of post scoping and Project Plan development is a preliminary engineering time line and budget to assist with prioritizing work tasks within the assigned funding.

WFLHD will ensure a quality product. WFLHD's designated project contact is the Project Manager.

Upon completion of the project scoping, project plan, and initiation of preliminary design work outlined above, WFLHD and Denali Commission will hold a final meeting with the community to outline the next steps in project development. Project documents will be available for public review and use within the community, at the Borough and at the respective agencies.

Funding: \$500,000 of Denali Commission funds will be allocated to perform the work described in this agreement.

Amendments to the Project Agreement: This Project Agreement may be modified by mutual agreement of the affected parties.

Two forms of reporting are required under this award:

1. Progress reports shall be submitted quarterly via the on-line Project Database. Reports are due within 30 days of the close of the calendar year.
2. Wage and residency reports shall be submitted on an annual basis using the on-line Project Database. Reports are due within 30 days of the close of the calendar year.

DENALI COMMISSION AGREEMENT Project: <u>Kivalina Evacuation Road - Preliminary Engineering</u>		Denali Commission Agreement No: <u>Kivalina Evacuation Road- (1) 285-07</u>
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III. TERM OF AGREEMENT

The terms and conditions of this agreement shall become effective with and upon execution by Denali Commission Contracting Officer and shall remain in effect through December 31, 2008, unless modified in writing by mutual agreement or terminated by either party upon thirty (30) days written notice. Full credit shall be allowed for each party's reimbursable costs and all non-cancelable obligations properly incurred up to the effective date of termination.

IV. FINANCIAL ADMINISTRATION

Availability of Funds for Proceeding Fiscal Year: Funds are not presently available for performance under this Reimbursable Agreement beyond December 31, 2008. Denali Commission obligation for performance beyond that date is contingent upon the availability of appropriated funds from which payment under the agreement can be made. No legal liability on the part of Denali Commission for any payment may arise for performance under this agreement beyond December 31, 2008 until funds are made available by the Contracting Officer through written modification of the agreement.

A. **Total Agreement Amount:** See block #5, cover page, for funds obligated by this agreement.

Funding Citations: See blocks 4a & 4b. of cover page.

B. **IPAC:** In accordance with the Debt Collection Improvement Act of 1996, all payments between Federal Agencies must be billed via Intra-Governmental Payment and Collections (IPAC). The Agency Location Code (ALC) for Denali Commission, is 95670000. For IPAC payment approval, the Servicing Agency will submit all Billings to the Government with Support Data as costs are billed, and one final and complete billing marked **Final Invoice** for reimbursement of all eligible costs incurred not later than 180 days after satisfactory completion of the work pursuant to the provisions of Title 23 CFR 645.117.

C. **Reimbursable Payment:** The servicing agency is authorized to bill *quarterly* as costs are incurred and authorized, and should correspond to actual IPAC payment submission. The servicing agency is limited to recovery of actual costs only, with a progress report reflecting the progress to the date of the invoice. The report will note obstacles encountered, suggested solutions, progress to date, and identify costs and expenses as stipulated in the agreed upon cost budget for services rendered or supplies delivered. Include back-up data with each request for payment. Back-up data includes all documents needed to support the requested IPAC reimbursement, such as record of contract payments, receipts, payrolls, and so on.

Submit cost support documentation and Progress Report to:

Mr. Mike McKinnon,
 Denali Commission,
 Transportation Program Manager
 DENALI COMMISSION
 510 "L" Street, Suite 410
 Anchorage, Alaska 99501

D. **Administrative Fee:** Unless otherwise explicitly stated in this Agreement, Denali Commission shall not be liable for any additional administrative fees.

DENALI COMMISSION AGREEMENT Project: <u>Kivalina Evacuation Road - Preliminary Engineering</u>		Denali Commission Agreement No: <u>Kivalina Evacuation Road- (1) 285-07</u> Other Agency's Agreement No: <u>DTFH70-07-X-50005</u>
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V. KEY OFFICIALS

REQUESTING AGENCY -

Contact: Mike McKinnon
 Transportation Program Manager, Denali Commission
 Voice: (907) 271-1192
 Fax: (907) 271-1415
 Cell: (907) 723-2798
 Email: mgmckinnon@gci.net

SERVICING AGENCY- Western Federal lands Highway Division WFLHD

Contact: Michael Traffalis
 Voice: (360) 619-7787
 FAX: (360) 619- 7846
 Cell: (360) 607-2749
 Email: michael.traffalis@fhwa.dot.gov

VI. SPECIAL PROVISIONS

A. Confidential information

VII. MODIFICATIONS

Any modifications to the Agreement must be made in writing and agreed to by both parties. Such authorizations are not binding unless they are in writing and signed by personnel authorized to bind each of the agencies.

VIII. AGREEMENT COMPLETION

When the Requesting Agency has accepted all deliverables, the Servicing Agency will provide a written project evaluation and final accounting of project costs to the requesting agency contact.

IX. TERMINATION

Either agency may terminate this agreement upon 30-calendar day (or as designated in the statement of work) prior written notification to the other agency. If this agreement is terminated by the Servicing Agency, its liability shall extend only to the release of its work products and related materials to the Requesting Agency by the effective date of termination. If this agreement should be terminated by the Requesting Agency, its liability shall extend only to pay for the actual and reasonable costs of the items/services rendered and the costs of any non-cancelable obligations incurred in accordance with the terms of this agreement prior to the effective date of termination.

DENALI COMMISSION AGREEMENT Project: <u>Kivalina Evacuation Road - Preliminary Engineering</u>		Denali Commission Agreement No: <u>Kivalina Evacuation Road- (1) 285-07</u>
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X. Agreement Standard Conditions

Financial

- 1. Funding.** In no case will the Servicing Agency make commitments or expenditures beyond 100% of funds obligated under this agreement as modified.
- 2. Additional funds.** The Requesting Agency and the Servicing Agency shall closely monitor funds. The Requesting Agency may increase the total obligation by modifying this agreement.
- 3. Duration of the agreement.** When agreement performance is expected to extend beyond the funding limits of the Requesting Agency's appropriation, the agreement may be extended provided the agencies have executed a modification using new funding.
- 4. Agreement Closeout.** Upon receipt of the final accounting of project costs, the Requesting Agency will close the Servicing Agency account. The remaining balance in the agreement account will be de-obligated by the Requesting Agency using an agreement modification (see "Agreement Completion" in the Administration portion of these standard conditions.)

Laws

- 5. Compliance with Applicable Laws.** Both parties agree to comply with authorities, laws and regulations cited in this document.
- 6. 508 Compatibility.** Each Electronic & Information Technology (EIT) item/service furnished under this agreement shall comply with Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d), as updated in 1998.
- 7. Competition Requirements for Servicing Agency.** All acquisitions awarded by the servicing agency in performance of this agreement shall comply with the Competition in Contracting Act (CICA), public law 98-369. (Applicable to agreements with other Federal agency)

Administration

- 8. Responsibilities.** The Requesting Agency COTR and the Servicing Agency designated official shall be responsible for technical oversight of the specified item/service, as set forth in the attached statement of work.

- 9. Third Party Liability.** With respect to third-party liability for acts arising out of the performance of official duties by a government employee of the Servicing Agency, the Servicing Agency undertakes responsibilities for the investigation, adjudication, settlement, and payment of any claim asserted against the United States; except that, in all cases, the responsibility for the investigation, adjudication, settlement, and payment of any claim with respect to third-party liability arising out of the use, damage, or destruction of loaned personal property shall be the responsibility of the particular agency that has custody and control of the said personal property. In addition, the Servicing Agency representative shall have the duty of investigating and reporting, in accordance with the Servicing Agency's regulations and policies, incidents occurring on, or involving that Servicing Agency's real property, and the Requesting Agency agrees to cooperate fully in such investigations.

- 10. Disputes.** Agency employees responsible for the administration of this agreement will be the initial points of contact for any disputes arising under this agreement. Disputes may be submitted in writing to either of these persons. Any disputes that are not resolved at this level may be referred to their respective agency's reviewing official for resolution. Pending the resolution or claim pursuant to this article, the parties agree that performance of all obligations shall be pursued diligently in accordance with terms and conditions of the Agreement.

Other

- 11. Publication or Sharing Results.** If either party publishes or shares any results arising from this agreement, they shall submit a proposed release to the cooperating party for review. Publication may be joint or independent, as agreed upon, always giving due credit to the cooperation and recognizing within proper limits the rights of the individuals doing the work. Software and documents may not be shared or used beyond the scope specified in the Statement of Work.
- 12. Property.** Purchase of equipment required for performance of the work must be authorized by the agreement.
- 13. Travel.** All travel under this agreement shall be in accordance with the Federal Travel Regulations, unless otherwise agreed to by both agencies.